

Docket: : A.11-07-017
Exhibit Number : Errata List
Commissioner : Catherine Sandoval
Admin. Law Judge : Richard Smith
DRA Witness : Victor Chan



DRA
DIVISION OF RATEPAYER ADVOCATES



**DIVISION OF RATEPAYER ADVOCATES
CALIFORNIA PUBLIC UTILITIES COMMISSION**

DRA ERRATA LIST FOR

REGIONS II AND III

GOLDEN STATE WATER COMPANY

**Test Year 2013 and
Escalation Years 2014 and 2015
Application 11-07-017**

Errata List for DRA-9, DRA-11, DRA-12, DRA-13, DRA-14, DRA-15

San Francisco, California
February 27, 2012

DRA-15 (Region III Utility Plant in Service, Depreciation and Ratebase)

Chapter	Page #, Line #	Original	Change to
1	33		Adding Section 11) Utility Plants That Are Out of Service for More Than 9 Months: DRA has made adjustments to Region III's plants that are out of service for more than 9 months as per its discussion in Section (m) in Chapter 1 of DRA-11.
2	117	Table 2-1 Depreciation Table	Insert revised Table 2-1
2	118, first paragraph, third line	DRA recommends \$161,262,400 for Test year 2013, and \$175,420,600 for Test year 2014	DRA recommends \$160,165,000 for Test year 2013, and \$174,299,100 for Test year 2014
3	119	Table 3-1, Rate Base Table	Insert revised Table 3-1
3	120, first paragraph, line 2	DRA recommends \$259,685,800 for Test Year 2013 and \$257,835,600 for Test year 2014	DRA recommends \$255,102,000 for Test Year 2013 and \$252,290,700 for Test year 2014
Attachments	Attachment 6	Attachment 6 – Barstow City meeting minutes dated April 4, 2011	Replace Attachment 6 with – Barstow City meeting minutes dated May 2, 2011

DRA-12 (Region III O&M, A&G Expenses)

Chapter	Page #, Line #	Original	Change to
1	2, Table 2	Ad Valorem Taxes, 2,744.7	Ad Valorem Taxes, 2,716.2
1	5, Line 10	DRA recommends \$205,900	DRA recommends \$223,300

DRA-9 (Executive Summary, Overview and Policy and Step Rate Increases)

Chapter	Page #, Line #	Original	Change to
Exec Summary	iii, Line 12 to 14	For Region III CSA, DRA recommends \$9,940,100 or 9.17% in Test year 2013, \$1,260,400 or 1.07% in Year 2014 and \$1,956,200 or 1.64% in Year 2015.	For Region III CSA, DRA recommends \$9,158,600 or 8.45% in Test year 2013, \$1,130,200 or 0.96% in Year 2014 and \$1,808,500 or 1.52% in Year 2015.
1	2	Table 1-2, Region III: GSWC and DRA Revenue requirement Summary	Insert revised Table 1-2
1	12, Line 19-20	DRA reduces rate base by \$38,587,700 in Test year 2013 and \$54,945,400 in Test year 2014.	DRA reduces rate base by \$43,171,400 in Test year 2013 and \$60,490,300 in Test year 2014.
1	15	Table 1-7	Insert revised Table 1-7
1	17	Table 1-9	Insert revised Table 1-9
3	22	Table 3-2	Insert revised Table 3-2

DRA-14 (Orange County and Foothill CSA Utility Plant in Service and Water Quality)

Chapter	Page #, Line #	Original	Change to
1	6, Line 17	“discussed”	“discuss”
1	25, Line 4	“DRA’s recommends”	“DRA recommends”
1	28, Line 14	“a” Mobile Service Order Dispatching (MSOD)	“the” Mobile Service Order Dispatching (MSOD)
1	28, Line 16	“a” MSOD	“the” MSOD
1	34, Line 21	GSWC’s Urban Water Management Plan	GSWC’s 2010 Urban Water management Plan
1	35, Line 2	“usage”	Delete “usage”
1	40, Line 2	“utilitize”	“utilize”
1	45, Line 25	\$392,000	\$405,100
1	57, Line 12	“a” Mobile Service	“the” Mobile Service

		Order Dispatching (MSOD)	Order Dispatching (MSOD)
1	57, Line 14	“a” MSOD	“the” MSOD
1	60, Line 22-23	after adjusting the contingency rate for the Capital projects as recommended by DRA in the Common Issue Sections (a)	after adjusting the contingency rate and disallowing SCADA as recommended by DRA in the Common Issue Sections (a) and (d)
1	64, Line 21	“a” Mobile Service Order Dispatching (MSOD)	“the” Mobile Service Order Dispatching (MSOD)
1	60, Line 16 and Line 22	2012	2013
1	64, Line 23	“a” MSOD	“the” MSOD
1	68, Line 14	“a” Mobile Service Order Dispatching (MSOD)	“the” Mobile Service Order Dispatching (MSOD)
1	68, Line 16	“a” MSOD	“the” MSOD
2	72, Table 1-1	“uranium” under Citation column	Replace “uranium” with “None”
2	73, Line 25	August 2010	February 2010

DRA-11 (Region II Plant in Service, Depreciation and Amortization, Ratebase, and Water Quality)

Chapter	Page #, Line #	Original	Change to
1	4, Line 2	the following the following	delete “the following”
1	9, Line 23	“does recognize”	“DRA recognize”
1	13, Line 4	“can utilized”	“can be utilized”
1	16, Line 1	“The DRA adjustments made”	“The adjustments DRA made”
1	27, Line 1	“replaces”	“replaced”
1	36, Line 11	“as per discussion”	“per discussion”
1	42, Line 6	“manufacturer/distributor”	“manufacturer”
1	44, Line 26	“2013...”	“2013.”
1	51, Line 4	“Commission. .”	“Commission.”
1	54, Line 21-22	GSWC requests \$17,071,077 for 2012, \$6,990,552 for 2013, and \$3,991,463 for 2014	GSWC requests \$5,975,347, for 2012, \$8,877,870 for 2013, and \$4,231,931 for 2014
1	56, Line 15	“The Water supplies”	“Water Supplies”

1	60, Line 8	“filed until after”	“filed after”
1	60, Line 10	“Norwalk”	“Artesia”
1	62, Line 17	“provides water residents”	“provides water to residents”
1	69, Line 4	and \$965,511 in 2014	and \$975,664 in 2014
1	73, Table 1-18	Total Net Cost for GSWC in 2013: \$8,330,418	Total Net Cost for GSWC in 2013: \$7,061,059
1	74, Line 11	“work at the night”	“work at night”
1	85, Line 1	“projects GSWC requests”	“projects requested by GSWC”
1	85, Line 13	“\$105,700”	“\$103,200”
1	91, Line 3	\$76,693	\$69,021
1	91, Line 5	\$15,600 for 2013, and \$16,200 for 2014.	\$15,100 for 2013, and \$15,500 for 2014.
1	93, Table 1-25	Total Net Cost for GSWC in 2013: \$14,535,591	Total Net Cost for GSWC in 2013: \$15,086,760
1	94, Table 1-26	2012 Proposed Budget for Oceangate: \$228,700 and Total Request: \$567,700	2012 Proposed Budget for Oceangate: \$238,700 and Total Request: \$577,700
1	95, Line 5-6	“As shown in the picture below, the Plant is fenced”	“The plant site is fenced”
1	114, Table 4-1	CDPH Inspection Report for the Southwest System: November 2010	CDPH Inspection Report for the Southwest System: November 2011

DRA-13 (Region II Expenses and Taxes Other Than Income)

Chapter	Page #, Line #	Original	Change to
1	14, Line 9	GSWC’s 112 positions	GSWC’s 112.5 positions
1	27, 18-20	DRA made additional reductions to the total other operation expenses. DRA reduced the expenses of sub-account 7730-Courtesy Adjustment in years 2006 through	Strike out the entire paragraph, Lines 18-20.

		2010 because ratepayers should not pay for a goodwill company policy.	
1	29, Table 8	Account 799, Alloc District Office Exp., DRA column: 3238.3	Account 799, Alloc District Office Exp., DRA column: 3,322.8
1	29, Table 8	Account 799, Alloc District Office Exp., GSWC Exceed DRA column: 1,211.8	Account 799, Alloc District Office Exp. GSWC Exceed DRA column: 1,127.3
1	29, Table 8	Total, DRA column: \$20,439.0	Total, DRA column: \$20,523.5.0
1	29, Table 8	Total, GSWC Exceed DRA column: \$3,512.5	Total, GSWC Exceed DRA column:\$3,428.0

DRA-15

Table 2-1

Golden State Water Company

Accumulated Depreciation and Expense Test Years 2013 and 2014

	2013		2014	
	DRA	GSWC	DRA	GSWC
Item	(Thousands of \$)			
Depreciation Reserve - BOY	153,201.0	153,492.2	167,129.1	166,570.8
Accruals				
Clearing Accounts	938.8	981.8	959.9	1,037.0
Contributions	919.6	919.6	919.6	919.6
Depreciation Expenses	13,017.5	13,656.4	13,331.1	14,476.7
Total Accruals	14,875.9	15,557.8	15,210.6	16,433.3
Retirements and Adjustments				
Net Retirements	-947.8	-2,479.1	-870.5	-2,413.7
Adjustments	0.0	0.0	0.0	0.0
Total Retirement & Adjustments	-947.8	-2,479.1	-870.5	-2,413.7
Net Additions	13,928.1	13,078.6	14,340.1	14,019.6
Depreciation Reserve - EOY	167,129.1	166,570.8	181,469.2	180,590.5
Deprec. Weighting Factor	50%	50%	50%	50%
Wtd. Avg. Depr. Reserve	160,165.0	160,031.5	174,299.1	173,580.6

DRA-15

Table 3-1**Golden State Water Company
Weighted Average Depreciated Ratebase**

	2013		2014	
	DRA	GSWC	DRA	GSWC
Item	(Thousands of \$)			
Weighted. Average Plant in Service	473,452.6	502,715.2	483,066.2	528,618.4
Weighted. Average Depreciation Reserve	-160,165.0	-160,031.5	-174,299.1	-173,580.6
Materials & Supplies	605.0	605.0	605.0	605.0
Advances in Construction	-18,714.0	-18,714.0	-17,697.0	-17,697.0
Contribution in Aid of Construction	-19,260.1	-19,260.1	-18,340.5	-18,340.5
Deferred Federal Income Tax	-43,032.4	-43,105.5	-42,989.4	-43,062.3
Deferred State Income Tax	0.0	0.0	0.0	0.0
Investment Tax Credit	-838.7	-838.7	-806.6	-806.6
Capitalized Ad Valorem Tax	5,656.7	6,014.8	5,774.3	6,331.7
Connections	1,997.3	1,997.3	2,121.3	2,121.3
Sliver	0.0	0.0	0.0	0.0
Advances (Gross-up)	843.6	843.6	793.3	793.3
Deferred Revenues	69.6	69.6	69.6	69.6
Working Cash	-3,112.5	9,677.1	-3,162.1	9,677.1
Common Utility Allocation	17,600.0	18,300.7	17,155.8	18,051.6
Average Rate Base	255,102.0	298,273.5	252,290.7	312,781.0
Interest Calculation:				
Average Rate Base	255,102.0	298,273.5	252,290.7	312,781.0
x Weighted Cost of Debt	3.70%	3.70%	3.70%	3.70%
Interest Expense	9,438.8	11,036.1	9,334.8	11,572.9

DRA-9
Table 1-2

Region III: GSWC and DRA Revenue Requirement Summary

Region III		Amount of Increase/(Decrease)	Percent Increase/(Decrease)
Test year 2013	GSWC	\$25,798,900	24.0%
	DRA	\$9,158,600	8.45%
	Difference	\$ 16,640,300	15.55%
Escalation Year 2014	GSWC	\$2,892,800	2.20%
	DRA	\$1,130,200	0.96%
	Difference	\$1,762,600	1.24%
Escalation Year 2015	GSWC	\$3,925,600	2.90%
	DRA	\$1,808,500	1.52%
	Difference	\$2,117,100	1.38%

DRA-9
TABLE 3-2

GOLDEN STATE WATER COMPANY							
REGION III							
SUMMARY OF EARNINGS							
2ND ESCALATION YEAR							
Item			DRA 2014	DRA 2015		Increase Amount	%
(Thousands of \$)							
Operating Revenues			118,661.1	120,469.6		1,808.5	1.52%
<u>Operating Expenses:</u>							
Operation & Maintenance			39,610.4	40,640.2		1,029.9	2.60%
Administrative & General			4,643.0	4,763.7		120.7	2.60%
Payroll			6,925.5	7,057.1		131.6	1.90%
G. O. Prorated Exp.			18,703.8	19,190.1		486.3	2.60%
Dep'n & Amortization			13,331.1	13,677.7		346.6	2.60%
Taxes other than income			4,481.7	4,598.2		116.5	2.60%
State Corp. Franchise Tax			2,421.7	2,382.3		(39.4)	-1.63%
Federal Income Tax			6,090.1	5,956.6		(133.5)	-2.19%
Total Operating Expense			96,207.3	98,266.0		2,058.7	2.14%
Net Operating Revenue			22,453.9	22,203.7		(250.2)	-1.11%
Rate Base			252,290.7	249,479.4		(2,811.3)	-1.11%
Return on Rate Base			8.90%	8.90%		0.00	0.00%

DRA-9

TABLE 1-7

GOLDEN STATE WATER COMPANY							
REGION III							
SUMMARY OF EARNINGS							
TEST YEAR 2013							
(AT PROPOSED RATES)							
Item			DRA Proposed Rates	GSWC Proposed Rates		GSWC exceeds DRA	
						Amount	%
(Thousands of \$)							
Operating Revenues			117,531.0	133,445.3		15,914.3	13.5%
<u>Operating Expenses:</u>							
Operation & Maintenance			39,153.5	43,320.3		4,166.8	10.6%
Administrative & General			4,491.0	4,617.0		126.0	2.8%
Payroll			6,789.7	6,969.2		179.5	2.6%
G. O. Prorated Exp.			18,228.4	20,528.8		2,300.4	12.6%
Dep'n & Amortization			13,017.5	13,656.4		638.9	4.9%
Taxes other than income			4,400.1	4,692.6		292.5	6.6%
State Corp. Franchise Tax			2,439.9	3,171.8		731.9	30.0%
Federal Income Tax			6,306.9	9,936.8		3,629.9	57.6%
Total Operating Expense			94,826.9	106,893.0		12,066.1	12.7%
Net Operating Revenue			22,704.1	26,552.3		3,848.2	16.9%
Rate Base			255,102.0	298,273.5		43,171.4	16.9%
Return on Rate Base			8.90%	8.90%		0.00	0.0%

DRA-9

Table 1-9
2013 Test Year Estimates
(Source: DRA RO Table 1-7)

Region III CSA

Scoping memo items: 16a, 16c								
16d, 16e								
16b								
		DRA	GSWC	Difference	DRA exhibit	DRA table and chapter number	DRA witness	Differences due to DRA adjustments/dsallowances in:*
(thousands of \$)								
1	Rate base	255,102.0	298,273.5	43,171.5	DRA-14 DRA-15	1-3, chapter 1	Susana Naserie Brian Yu	Disallowance of pipeline projects, wells and reservoirs, not used-and-useful facilities, SCADA projects, misc street improvements, new business funded by GSWC, reduction in the contingency rate, elimination of escalation in blanket budget forecast and WRAM lag days in working cash calculation.
2	Operating revenues	117,531.0	133,445.3	15,914.3	DRA-9	1-2, chapter 1	Victor Chan	Summary of Earnings Table 1-2
3	GO prorated expenses	18,228.4	20,528.8	2,300.4	DRA-16	1 to 15, chapters 3, 4, 5	Donna Ramas Mark Dady	Cost allocations, GO expenses and capital expenditures for (1) Corporate support, (2) Centralized operations support, and (3) Billing and payment processing
4	Federal income tax	6,306.9	9,936.8	3,629.9	DRA-4	6-2, chapter 2	Nickolay Kotyrlo	Previous year state tax
5	O&M expenses	39,153.5	43,320.3	4,166.8	DRA-12	Table 2, chapter 1	Pat Esuke	AVLS, supply expenses, GO allocation, operation labor, conservation, other maintenance expenses
6	State corp franchise tax	2,439.9	3,171.8	731.9	DRA-4	6-2, chapter2	Nickolay Kotyrlo	Domestic Production Activities Deduction
7	Depreciation	13,017.5	13,656.4	638.9	DRA-15	2-1, chapter2	Brian Yu	Utility plant additions
8	Payroll	6,789.7	6,969.2	179.5	DRA-12	Table 4, chapter 1	Pat Esuke	merit pay increase, expensed vs. capitalized payroll and customer growth factor
9	A&G expenses	4,491.0	4,617.0	126.0	DRA-12	Table 2, chapter 1	Pat Esuke	Injuries and damages, outside services, misc., GO allocation, district office allocation
10	Taxes other than income	4,400.1	4,692.6	292.5	DRA-12	Table 2, Chapter 1	Pat Esuke	Payroll and utility plants

DRA -15 (Attachment 6)



AGENDA MATTER:

FIRST AVENUE BRIDGE OVER BNSF RAILROAD – PROJECT UPDATE STAFF REPORT

EXECUTIVE SUMMARY:

This report provides an update on the repairs of the First Avenue Bridge over BNSF Railroad.

DISCUSSION:

The approved urgent and necessary repairs to the First Avenue Bridge over BNSF Railroad have been completed. Lewis Welding completed the repairs and Parsons Engineering provided construction management and inspection (see Attachment A).

The repairs to the bridge were as follows:

1. Replacement of (3) three beams adjacent to Bent 4 and 5
2. Installment of new column on Bent 2.
3. Replacement of blocking with a steel post at the location of the pedestrian stairs (previously removed) on south side of bridge.
4. Repair of sidewalk and decking.

Tom Lewis of Lewis Welding has completed the above mentioned repairs for \$34,250. Parsons Engineering has provided design and construction management for this urgent and necessary repair; the estimate for this work is \$27,790. Staff cost (including City Engineer and staff time) is \$4,609.



The total cost for these urgent and necessary repairs is \$66,649 (\$34,250 + \$27,790 + \$4,609 = \$66,649).

FISCAL IMPACT:

The estimated cost to date for these urgent and necessary repairs is \$66,649. This is an adjusted appropriation account # 405.975.725.09.984. There is \$98,990 remaining in the budget for the urgent and necessary repairs for First Avenue Bridge.

RECOMMENDED ACTION:

This report is for City Council information only and requires no action by City Council.

PROPOSED BY	FUNDS BUDGETED	FUNDS AVAILABLE	MEETING DATE
 Nick Nichols 	\$98,990 405.975.725.09.984	N/A	May 2, 2011
C.M. APPROVAL	AMOUNT REQUIRED	CATEGORY	ITEM NUMBER
Charles C. Mitchell	\$66,649	CEDD	5